

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7623

BILL NUMBER: SB 422

NOTE PREPARED: Jan 7, 2007

BILL AMENDED:

SUBJECT: Employment of Unauthorized Aliens.

FIRST AUTHOR: Sen. Simpson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill prohibits contractors that have public contracts for services to employ unauthorized aliens. The bill requires contractors to: (1) comply with requirements regarding verification of employment under federal law; and (2) make verification forms available for inspection by the commissioner of labor. The bill also provides that a contractor that fails to comply with requirements regarding employment verification is subject to a civil penalty of at least \$110 but not more than \$1,100 for each employee with respect to whom the violation occurred. It provides that a public contract for services is void if the contractor providing the services hires or employs unauthorized aliens unless the state or political subdivision determines that voiding the contract would be detrimental to the public interest or public property.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: This bill allows the Commissioner of Labor (Commissioner) to enforce a civil penalty against a contractor that fails to: (a) retain a verification form, or (b) make a verification form available for inspection by the Commissioner upon request; pertaining to an employee of the contractor.

Civil penalties imposed on a contractor that fails to retain or make available for inspection a verification form of each employee are equal to at least \$110 and not more than \$1,100 for each employee with respect to whom the violation occurred.

Current law exempts the Commissioner on Labor from fees prescribed in civil actions. Thus, revenue from court fees would not be affected under the bill.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources:

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